

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

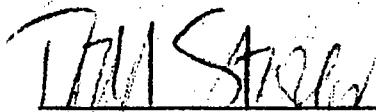
05/30/2003
Date

Honorable David Dewhurst
President of the Senate

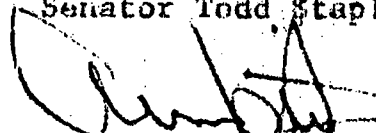
Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on Senate Bill 1639 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.



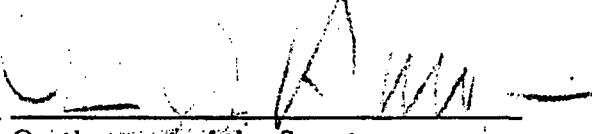
Senator Todd Staples, Chair



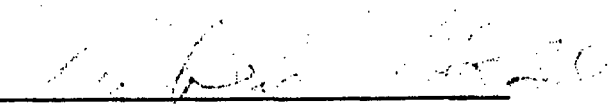
Senator Ken Armbrister

Senator Craig Estes

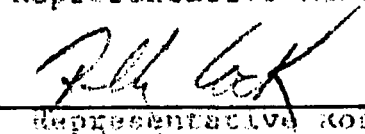
Senator Robert Duncan



On the part of the Senate
Senator Juan Nino-Jose



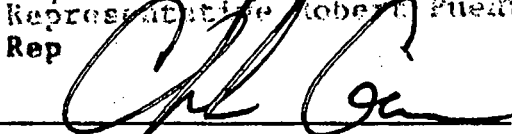
Representative Ruben Hope



Representative Robert Cook



~~Representative Robert Puente~~
Rep



Representative Charlie Geren

On the part of the House
Representative Sid Miller

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

S.B. No. 1639

A BILL TO BE ENTITLED

AN ACT

relating to regulating the waters of the state, including the spacing and production of groundwater and the control of instream flows.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 36.116, Water Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) For better management of the groundwater resources located in a district or if a district determines that conditions in or use of an aquifer differ substantially from one geographic area of the district to another, the district may adopt different rules for:

(1) each aquifer, subdivision of an aquifer, or geologic strata located in whole or in part within the boundaries of the district; or

(2) each geographic area overlying an aquifer or subdivision of an aquifer located in whole or in part within the boundaries of the district.

(e) In regulating the production of groundwater under Subsection (a)(2), a district:

(1) shall select a method that is appropriate based on the hydrogeological conditions of the aquifer or aquifers in the district; and

(2) may limit the amount of water produced based on

1 contiguous surface acreage.

2 SECTION 2. Subchapter B, Chapter 11, Water Code, is amended
3 by adding Sections 11.0235, 11.0236, and 11.0237 to read as
4 follows:

5 Sec. 11.0235. POLICY REGARDING WATERS OF THE STATE.

6 (a) The waters of the state are held in trust for the public, and
7 the right to use state water may be appropriated only as expressly
8 authorized by law.

9 (b) Maintaining the biological soundness of the state's
10 rivers, lakes, bays, and estuaries is of great importance to the
11 public's economic health and general well-being.

12 (c) The legislature has expressly required the commission
13 while balancing all other interests to consider and provide for the
14 freshwater inflows necessary to maintain the viability of the
15 state's bay and estuary systems in the commission's regular
16 granting of permits for the use of state waters.

17 (d) The legislature has not expressly authorized granting
18 water rights exclusively for:

19 (1) instream flows dedicated to environmental needs or
20 inflows to the state's bay and estuary systems; or

21 (2) other similar beneficial uses.

22 (e) The fact that greater pressures and demands are being
23 placed on the water resources of the state makes it of paramount
24 importance to reexamine the process for ensuring that these
25 important priorities are effectively addressed in clear
26 delegations of authority to the commission.

27 Sec. 11.0236. STUDY COMMISSION ON WATER FOR ENVIRONMENTAL

1 FLOWS. (a) In recognition of the importance that the ecological
2 soundness of our riverine, bay, and estuary systems and riparian
3 lands has on the economy, health, and well-being of the state there
4 is created the Study Commission on Water for Environmental Flows.

5 (b) The study commission is composed of 15 members as
6 follows:

7 (1) two members appointed by the governor;

8 (2) five members appointed by the lieutenant governor;

9 (3) five members appointed by the speaker of the house
10 of representatives;

11 (4) the presiding officer of the commission or the
12 presiding officer's designee;

13 (5) the chairman of the board or the chairman's
14 designee; and

15 (6) the presiding officer of the Parks and Wildlife
16 Commission or the presiding officer's designee.

17 (c) Of the members appointed under Subsection (b)(2):

18 (1) one member must represent a river authority or
19 municipal water supply agency or authority;

20 (2) one member must represent an entity that is
21 distinguished by its efforts in resource protection; and

22 (3) three members must be members of the senate.

23 (d) Of the members appointed under Subsection (b)(3):

24 (1) one member must represent a river authority or
25 municipal water supply agency or authority;

26 (2) one member must represent an entity that is
27 distinguished by its efforts in resource protection; and

1 (3) three members must be members of the house of
2 representatives.

3 (e) Each appointed member of the study commission serves at
4 the will of the person who appointed the member.

5 (f) The appointed senator with the most seniority and the
6 appointed house member with the most seniority serve together as
7 co-presiding officers of the study commission.

8 (g) A member of the study commission is not entitled to
9 receive compensation for service on the study commission but is
10 entitled to reimbursement of the travel expenses incurred by the
11 member while conducting the business of the study commission, as
12 provided by the General Appropriations Act.

13 (h) The study commission may accept gifts and grants from
14 any source to be used to carry out a function of the study
15 commission.

16 (i) The commission shall provide staff support for the study
17 commission.

18 (j) The study commission shall conduct public hearings and
19 study public policy implications for balancing the demands on the
20 water resources of the state resulting from a growing population
21 with the requirements of the riverine, bay, and estuary systems
22 including granting permits for instream flows dedicated to
23 environmental needs or bay and estuary inflows, use of the Texas
24 Water Trust, and any other issues that the study commission
25 determines have importance and relevance to the protection of
26 environmental flows. In evaluating the options for providing
27 adequate environmental flows, the study commission shall take

1 notice of the strong public policy imperative that exists in this
2 state recognizing that environmental flows are important to the
3 biological health of our parks, game preserves, and bay and estuary
4 systems and are high priorities in the permitting process. The
5 study commission shall specifically address ways that the
6 ecological soundness of these systems will be ensured in the water
7 allocation process.

8 (k) The study commission:

9 (1) shall appoint an advisory scientific committee
10 that will:

11 (A) serve as impartial scientific advisors and
12 reviewers for the study commission; and

13 (B) have a membership of no fewer than five and no
14 more than nine total members chosen by the study commission to
15 represent a variety of areas of relevant technical expertise;

16 (2) may appoint additional advisory committees to
17 assist the study commission; and

18 (3) may draft proposed legislation to modify existing
19 water-rights permitting statutes.

20 (1) Not later than December 1, 2004, the study commission
21 shall issue a report summarizing:

22 (1) any hearings conducted by the study commission;

23 (2) any studies conducted by the study commission;

24 (3) any legislation proposed by the study commission;

25 and

26 (4) any other findings and recommendations of the
27 study commission.

1 (m) The study commission shall promptly deliver copies of
2 the report to the governor, lieutenant governor, and speaker of the
3 house of representatives.

4 (n) The study commission shall adopt rules to administer
5 this section.

6 (o) The study commission is abolished and this section
7 expires September 1, 2005.

8 Sec. 11.0237. WATER RIGHTS FOR INSTREAM FLOWS DEDICATED TO
9 ENVIRONMENTAL NEEDS OR BAY AND ESTUARY INFLOWS. (a) The
10 commission may not issue a new permit for instream flows dedicated
11 to environmental needs or bay and estuary inflows. This section
12 does not prohibit the commission from issuing an amendment to an
13 existing permit or certificate of adjudication to change the use to
14 or add a use for instream flows dedicated to environmental needs or
15 bay and estuary inflows.

16 (b) This section does not alter the commission's
17 obligations under Section 11.042(b), 11.046(b), 11.085(k)(2)(F),
18 11.134(b)(3)(D), 11.147, 11.1491, 16.058, or 16.059.

19 (c) This section expires September 1, 2005.

20 SECTION 3. Subsections (d) and (e), Section 11.147, Water
21 Code, are amended to read as follows:

22 (d) In its consideration of an application to store, take,
23 or divert water, the commission shall include in the permit, to the
24 extent practicable when considering all public interests, those
25 conditions considered by the commission necessary to maintain
26 ~~consider the effect, if any, of the issuance of the permit on~~
27 existing instream uses and water quality of the stream or river to

1 which the application applies.

2 (e) The commission shall include in the permit, to the
3 extent practicable when considering all public interests, those
4 conditions considered by the commission necessary to maintain ~~[also~~
5 ~~consider the effect, if any, of the issuance of the permit on]~~ fish
6 and wildlife habitats.

7 SECTION 4. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2003.

Senate Bill No. 1639

**Conference Committee Report
Section-by-Section Analysis**

SENATE VERSION

SECTION 1. Amends Section 36.116(d), Water Code, pertaining to regulation of spacing and production as it relates to powers and duties of groundwater conservation districts.

No equivalent provision.

HOUSE VERSION

SECTION 1. Amends Section 36.116(d) and (e), Water Code, pertaining to regulation of spacing and production as it relates to powers and duties of groundwater conservation districts, as follows:

(e) Requires a district, in regulating the production of groundwater under Subsection (a)(2), to: (1) select a method that is appropriate based on: (A) the hydrogeological conditions of the aquifer or aquifers in the district (FA1); or (B) the goals of the district's management plan; and (2) may limit the amount of water produced based on contiguous surface acreage. (FA2)

CONFERENCE

SECTION 1. Same as House version.

(e) Same as House version.

Senate Bill No. 1639

**Conference Committee Report
Section-by-Section Analysis**

SENATE VERSION

No equivalent provision.

HOUSE VERSION

No equivalent provision.

CONFERENCE

SECTION 2. Amends Subchapter B, Chapter 11, Water Code by adding Sections 11.0235, 11.0236, and 11.0237. Section 11.0235 sets forth state policy regarding waters of the state and legislative intent regarding water rights. Section 11.0236 creates the Study Commission on Water for Environmental Flows. Sets forth the membership and officers of the commission and requires the commission to conduct hearings and issue a report on balancing demands on water resources with environmental considerations not later than December 1, 2004. Requires commission to deliver report to governor, lieutenant governor, and speaker of the house of representatives and to adopt rules for administration of the commission. Provides that the study commission is abolished and Section 11.0236 expires September 1, 2005. Section

Senate Bill No. 1639

**Conference Committee Report
Section-by-Section Analysis**

SENATE VERSION

HOUSE VERSION

CONFERENCE

11.0237 prohibits Texas Commission on Environmental Quality from issuing certain new permits for instream flows dedicated to environmental needs or bay and estuary inflows. Provides that this section does not alter the obligations of the Texas Commission on Environmental Quality under other provisions of the Water Code regarding certain studies, evaluations, and collections of data. Provides that this section expires September 1, 2005.

No equivalent provision

No equivalent provision

SECTION 3. Amends existing Sections 11.147(d) and (e), Water Code. Requires the Texas Commission on Environmental Quality, in its consideration of an application

Senate Bill No. 1639

**Conference Committee Report
Section-by-Section Analysis**

SENATE VERSION

HOUSE VERSION

CONFERENCE

to store, take, or divert water, to include in the permit, to the extent practicable when considering all public interests, those conditions considered by the commission necessary to maintain existing instream uses and adding water quality of the stream or river to which the application applies. Requires the Texas Commission on Environmental Quality to include in the permit, to the extent practicable when considering all public interests, those conditions considered by the commission necessary to maintain fish and wildlife habitats.

SECTION 2. Immediate effective date.

SECTION 2. Same as Senate version.

SECTION 4. Same as Senate version.